

Testimony of Tom Swan, Executive Director of the Connecticut Citizen Action Group (CCAG)

Before the Banks Committee on the following bills:

[H.B. No. 5571](#) AN ACT CONCERNING CONSUMER COLLECTION AGENCIES AND DEBT COLLECTION ACTIONS.

[H.B. No. 5569](#) AN ACT CONCERNING THE STUDENT LOAN OMBUDSMAN, STUDENT LOAN SERVICERS AND STUDENT DEBT.

[H.B. No. 5566](#) AN ACT CONCERNING THE DEPARTMENT OF BANKING.

[H.B. No. 5564](#) AN ACT CONCERNING CARD BALANCES.

[H.B. No. 5563](#) AN ACT CONCERNING RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY.

[H.B. No. 5561](#) AN ACT CONCERNING FAIRNESS IN CONSUMER CONTRACTS.

March 8, 2016

Senator Winfield, Representative Lesser and other members of the Banking Committee my name is Tom Swan and I am the Executive Director of the Connecticut Citizen Action Group (CCAG). I want to thank you for raising a series of important bills that I will offer brief comments on today.

The first bill is HB 5571 AN ACT CONCERNING CONSUMER COLLECTION AGENCIES AND DEBT COLLECTION ACTIONS. Last month we issued a report (attached with my testimony) Unfair, Deceptive and Abusive: Debt Collectors Profit from Aggressive Tactics that was pulled together by the Alliance for a Just Society using complaints filed with the Consumer Financial Protection Bureau regarding debt collectors. This report strongly makes the case for the limited protections outlined in this bill.

The second bill is H.B. 5569 AN ACT CONCERNING THE STUDENT LOAN OMBUDSMAN, STUDENT LOAN SERVICERS AND STUDENT DEBT. This bill builds off of the great bipartisan work the legislature did last year to begin to address the crucial problem of student debt by strengthening the tools the Banking Commission has to implement these reforms.

The third bill I want to comment on is HB 5566 AAC the Department of Banking. We strongly support the part of this bill that calls for the research into how we could move forward with debt free post-secondary education. This will be good for families and for our overall economy.

The fourth bill is HB 5564 AAC Card Balances. This is basic issue of fairness. When it comes to retailers they are making out like bandits when it comes to gift cards. It is

estimated that in 2015 alone close to \$1,000,000,000 went unclaimed on these gift cards. These are supposed to be gift cards for consumers not retailers. Retailers will still do fine and get plenty of income from unclaimed and lost cards. This proposal to allow consumers to receive change back when the balance falls below \$10 is a fair proposal. If even Texas and ten other states can enact this type of pro-consumer reform so can Connecticut.

We also support HB 5563 AAC Residential Property Assessed Clean Energy. This is a program that has worked for commercial properties and it makes sense to expand this financing option for home owners.

Finally, I want to testify on HB 5561 AAC Fairness in Consumer Contracts. One of the most anti-consumer policies that has become more widespread over the past couple of decades is that of forced arbitration. This bill begins to level the playing field for consumers.

Thank you.